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MoneyTrax, Inc.

**UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY**

LEAP SYSTEMS, INC.,

Plaintiff,

v.

MONEYTRAX, INC. and NORMAN BAKER,

Defendants.

Civil Action No. 05cv1521(SRC)

**ANSWER, AFFIRMATIVE DEFENSES
AND JURY DEMAND OF
DEFENDANT MONEYTRAX, INC., TO
SECOND AMENDED COMPLAINT**

Defendant MoneyTrax, Inc. ("MoneyTrax") hereby answers plaintiff's Second Amended Complaint as follows:

PLAINTIFF'S ALLEGATIONS REGARDING THE PARTIES

1. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

2. MoneyTrax admits the allegations contained in this paragraph.

3. MoneyTrax admits the allegations contained in this paragraph.

PLAINTIFF'S ALLEGATIONS REGARDING JURISDICTION

4. The allegations of this paragraph are legal assertions to which no answer is required; to the extent that an answer is required, MoneyTrax denies the allegations contained in this paragraph.

5. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

PLAINTIFF'S ALLEGATIONS REGARDING THE OPERATIVE FACTS

Allegations Regarding The LEAP System

6. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied, in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

7. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

8. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph. Further, to the extent that plaintiff has, in this paragraph defined “Proprietary Information” MoneyTrax denies the implicit suggestion that such information can be protected under the law and incorporates this denial into each and every paragraph in which the defined phrase “Proprietary Information” appears.

9. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

10. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

11. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

12. To the extent that the allegations are meant to suggest that plaintiff has a “trade secret” or other intellectual property right to its methodologies, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

13. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

Allegations Regarding Baker’s Consultancy Agreement

14. Except to admit that LEAP was formerly known as Executive Asset Management Inc., MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

15. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

16. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is

without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

17. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

18. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

19. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

20. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

Allegations Regarding Baker's Exposure To Allegedly Confidential Information

21. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

22. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

23. To the extent that the allegations are meant to suggest that plaintiff has “business secrets” capable of protection, it is denied; in all other respects MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

24. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

25. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

26. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

27. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

28. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

Allegations Regarding LEAP’s License Agreement With Baker

29. MoneyTrax asserts that the Baker License Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

Allegations Regarding Baker’s Separation From LEAP

30. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

31. Except to admit that Norman Baker has become affiliated with MoneyTrax within recent months, MoneyTrax denies the allegations contained in this paragraph.

32. MoneyTrax denies the allegations contained in this paragraph.

33. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

34. MoneyTrax denies the allegations contained in this paragraph.

35. MoneyTrax denies the allegations contained in this paragraph.

36. MoneyTrax denies the allegations contained in this paragraph.

Allegations Regarding Baker's Alleged Failure To Perform

37. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

38. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

39. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

40. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

Allegations Regarding MoneyTrax, Baker and LEAP

41. MoneyTrax denies the allegations contained in this paragraph.

42. MoneyTrax denies the allegations contained in this paragraph.

43. MoneyTrax denies the allegations contained in this paragraph.

44. MoneyTrax admits that it states the truth of Mr. Baker's past accomplishments, but denies that it is improperly trading upon "LEAP's goodwill and reputation."

45. MoneyTrax denies the allegations contained in this paragraph.

Allegations Regarding MoneyTrax's Advertising

46. MoneyTrax denies the allegations contained in this paragraph.

47. Except to admit that a "Comparison of LEAP and MoneyTrax" was posted on its website; MoneyTrax denies the allegations contained in this paragraph.

48. MoneyTrax denies the allegations contained in this paragraph.

49. MoneyTrax denies the allegations contained in this paragraph.

50. Except to admit that LEAP's counsel made various demands upon MoneyTrax despite knowing that MoneyTrax's offices are located in Louisiana and that both Hurricane Katrina and Hurricane Rita has devastated the entire region and to admit that MoneyTrax removed the comparison as a show of good faith in hopes of moving to resolve this matter, MoneyTrax denies the allegations contained in this paragraph.

51. MoneyTrax denies the suggestion in this paragraph that anyone has the ability to view the comparison as the comparison has been taken down from the website and is not available to any person whether they "login" or not.

52. MoneyTrax denies the allegations contained in this paragraph.

53. MoneyTrax denies that it "forwarded" anything to LEAP licensees; and otherwise denies the allegations contained in this paragraph.

54. MoneyTrax asserts that the announcement speaks for itself and thus no response is required from MoneyTrax.

55. MoneyTrax denies the allegations contained in this paragraph.

COUNT I – BREACH OF CONTRACT (Against Baker)

56. MoneyTrax incorporates the previous responses as if set forth in full.

57. The allegations of this paragraph are legal assertions to which no answer is required; to the extent that an answer is required, MoneyTrax denies the allegations contained in this paragraph.

58. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

59. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

60. The allegations of this paragraph are legal assertions to which no answer is required; to the extent that an answer is required, MoneyTrax denies the allegations contained in this paragraph.

61. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

62. MoneyTrax asserts that the Consultancy Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

63. The allegations of this paragraph are legal assertions to which no answer is required; to the extent that an answer is required, MoneyTrax denies the allegations contained in this paragraph.

COUNT II – BREACH OF CONTRACT (Against Baker)

64. MoneyTrax incorporates the previous responses as if set forth in full.

65. The allegations of this paragraph are legal assertions to which no answer is required; to the extent that an answer is required, MoneyTrax denies the allegations contained in this paragraph.

66. MoneyTrax asserts that the Restrictive Covenant and Non-Disclosure Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Restrictive Covenant and Non-Disclosure Agreement to admit or deny the allegations contained in this paragraph.

67. MoneyTrax asserts that the Restrictive Covenant and Non-Disclosure Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Restrictive Covenant and Non-Disclosure Agreement to admit or deny the allegations contained in this paragraph.

68. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

69. MoneyTrax asserts that the Restrictive Covenant and Non-Disclosure Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Restrictive Covenant and Non-Disclosure Agreement to admit or deny the allegations contained in this paragraph.

70. MoneyTrax asserts that the Restrictive Covenant and Non-Disclosure Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the

Restrictive Covenant and Non-Disclosure Agreement to admit or deny the allegations contained in this paragraph.

71. MoneyTrax denies the allegations contained in this paragraph.

72. MoneyTrax denies the allegations contained in this paragraph.

COUNT III – BREACH OF CONTRACT (Against Baker)

73. MoneyTrax incorporates the previous responses as if set forth in full.

74. MoneyTrax denies the allegations contained in this paragraph.

75. MoneyTrax denies the allegations contained in this paragraph.

76. MoneyTrax asserts that the Baker License Agreement speaks for itself and thus no response is required from MoneyTrax, to the extent a further response is required MoneyTrax is without sufficient knowledge or information about the terms of the Consultancy Agreement to admit or deny the allegations contained in this paragraph.

77. MoneyTrax denies the allegations contained in this paragraph.

78. MoneyTrax denies the allegations contained in this paragraph.

**COUNT IV – TORTIOUS INTERFERENCE WITH FUTURE ECONOMIC ADVANTAGE
(Against MoneyTrax and Baker)**

79. MoneyTrax incorporates the previous responses as if set forth in full.

80. MoneyTrax denies the allegations contained in this paragraph.

81. MoneyTrax denies the allegations contained in this paragraph.

82. MoneyTrax denies the allegations contained in this paragraph.

83. MoneyTrax denies the allegations contained in this paragraph.

**COUNT V – MISAPPROPRIATION OF PROPRIETARY INFORMATION (Against
MoneyTrax and Baker)**

84. MoneyTrax incorporates the previous responses as if set forth in full.

85. MoneyTrax denies the allegations contained in this paragraph.

86. MoneyTrax denies the allegations contained in this paragraph.

87. MoneyTrax denies the allegations contained in this paragraph.

88. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

89. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

90. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

91. MoneyTrax denies the allegations contained in this paragraph.

92. MoneyTrax denies the allegations contained in this paragraph.

93. MoneyTrax denies the allegations contained in this paragraph.

94. MoneyTrax denies the allegations contained in this paragraph.

95. MoneyTrax denies the allegations contained in this paragraph.

96. MoneyTrax denies the allegations contained in this paragraph.

COUNT VI – FALSE ADVERTISING (Against MoneyTrax)

97. MoneyTrax incorporates the previous responses as if set forth in full.

98. MoneyTrax denies the allegations contained in this paragraph.

99. MoneyTrax denies the allegations contained in this paragraph.

100. MoneyTrax denies the allegations contained in this paragraph.

101. MoneyTrax denies the allegations contained in this paragraph.

102. MoneyTrax denies the allegations contained in this paragraph.

103. MoneyTrax denies the allegations contained in this paragraph.

104. MoneyTrax denies the allegations contained in this paragraph.

COUNT VII – DEFAMATION (Against MoneyTrax)

105. MoneyTrax incorporates the previous responses as if set forth in full.

106. MoneyTrax denies the allegations contained in this paragraph.

107. MoneyTrax denies the allegations contained in this paragraph.

108. MoneyTrax denies the allegations contained in this paragraph.

109. MoneyTrax denies the allegations contained in this paragraph.

110. MoneyTrax denies the allegations contained in this paragraph.

111. MoneyTrax denies the allegations contained in this paragraph.

112. MoneyTrax denies the allegations contained in this paragraph.

COUNT VIII – UNFAIR COMPETITION (Against MoneyTrax and Baker)

113. MoneyTrax incorporates the previous responses as if set forth in full.

114. MoneyTrax denies the allegations contained in this paragraph.

115. MoneyTrax denies the allegations contained in this paragraph.

116. MoneyTrax denies the allegations contained in this paragraph.

117. MoneyTrax denies the allegations contained in this paragraph.

COUNT IX – BREACH OF FIDUCIARY DUTY (Against Baker)

118. MoneyTrax incorporates the previous responses as if set forth in full.

119. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

120. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

121. MoneyTrax denies the allegations contained in this paragraph.

122. MoneyTrax denies the allegations contained in this paragraph.

123. MoneyTrax denies the allegations contained in this paragraph.

124. MoneyTrax denies the allegations contained in this paragraph.

COUNT X – UNJUST ENRICHMENT (Against MoneyTrax and Baker)

125. MoneyTrax incorporates the previous responses as if set forth in full.

126. MoneyTrax denies the allegations contained in this paragraph.

127. MoneyTrax denies the allegations contained in this paragraph.

128. MoneyTrax denies the allegations contained in this paragraph.

COUNT XI – DECLARATORY JUDGMENT (Against Baker)

129. MoneyTrax incorporates the previous responses as if set forth in full.

130. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

131. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

132. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

133. MoneyTrax is without sufficient knowledge or information to admit or deny the allegations contained in this paragraph.

WHEREFORE, MoneyTrax demands judgment in its favor dismissing all of plaintiff's claims with prejudice and awarding MoneyTrax its costs and any other relief that may be deemed equitable.

AFFIRMATIVE DEFENSES

a. Plaintiff's claims fail to state a claim against MoneyTrax upon which relief may be granted.

b. There is no personal jurisdiction over MoneyTrax in New Jersey.

c. Plaintiff has waived any claims against MoneyTrax.

d. Plaintiff is estopped from asserting any claims against MoneyTrax.

e. Plaintiff is barred by the statute of limitations from asserting claims against MoneyTrax.

f. Plaintiff is barred by the doctrine of laches from asserting claims against MoneyTrax.

g. Plaintiff's claims are preempted by the Copyright Act.

h. Plaintiff's claims are barred by the doctrines of abandonment, acquiescence, and laches.

JURY DEMAND

MoneyTrax demands a jury on all issues so triable.

CONNELL FOLEY LLP
Attorneys for Defendant,
MoneyTrax, Inc.

By: s/Marc D. Haefner
Marc D. Haefner

Dated: January 5, 2006